

**WASHINGTON, DC – House Majority Leader Steny H. Hoyer (MD) delivered a speech today on Democrats' record on job creation and economic recovery, and how Republicans would take us back to the same failed Bush policies that led to the recession in the first place. Below are his remarks as prepared for delivery:**

"America has faced its share of trying times—times when not just our economy, but our nation, seemed in decline. But each time, with ingenuity, hard work, and our distinctly American optimism, we have built our way out, and we've emerged stronger.

"No one doubts that this is one of those testing times. But the question that will be in front of us in this fall's vote isn't where we are—it's where we go from here. It's a choice between two dramatically different directions. And our decision really comes down to three questions. How far have we come? What remains to be done? And which party will keep moving us forward?

"First, how far have we come? Let's consider an alternate history: America is facing the worst economic crisis in a generation. Americans are losing almost 800,000 jobs per month. Over a quarter of personal wealth in America has been wiped out. Banks are afraid to lend, businesses are forced into layoffs, and innovative start-ups can't start up. Foreclosures are devastating neighborhoods. The massive deficit left behind by President Bush makes responding to the crisis even more difficult. A new President and a Democratic Congress are struggling for solutions—but negotiations break down, Congress remains paralyzed, and in the end we do nothing.

"As a result, the nonpartisan CBO tells us that we'd be looking at 2 million additional Americans out of work. The economy would likely have continued to shrink, instead of growing for three straight quarters. Retirement savings would have remained devastated. And the global recession would have become catastrophic. It was that bleak picture that led former Reagan economic advisor Martin Feldstein to endorse substantial deficit spending to pump life into the economy, saying, 'I don't think we have a choice.'

"I know thinking about how much worse off we could have been is not worth much comfort to anyone who's still struggling to find work. But any honest look at our economy has to start with an honest conversation about the disaster we have to this point averted, as a result of the actions we have taken. A mere year and a half ago, economists across the spectrum were talking in all seriousness about the risk of a second Great Depression. Instead, we've stabilized the financial system, injected demand into the economy, and created jobs. In fact, the private sector has added jobs for six straight months. By comparison, it took more than two years after the end of the last recession for our economy to return to six consecutive months of job growth

in the private sector.

“That progress started with vital investments, not just in our immediate recovery, but in the foundations of prosperity for years to come. We are rebuilding the roads, railways, and bridges that are our economy’s backbone. We are using Build America Bonds to help local governments invest in the infrastructure projects they need most. We are investing in our children’s future: we’ve kept teachers in the classroom and have helped more young Americans reach their goal of a college education. We’re helping doctors and hospitals computerize medical records, so patients can be treated more effectively. We’ve funded clean energy technology that will help us save energy and become less dependent on foreign oil—technology like a ‘smart grid’ that will respond to changing energy needs in real time. Just as the Internet was created in America with the support of the federal government, today, in partnership with the private sector, we’re laying the groundwork for transformational technology that can shape our economy and create jobs for years to come. And for 98% of Americans, taxes are now lower than they were in any single year under President Bush.

“Despite Republicans’ efforts to demonize those policies, they can’t refute the nonpartisan analysis that shows that they have been responsible for as many as 3 million jobs. They can’t ignore those investments’ benefits in their own communities—not when the House Minority Whip himself has hosted three job fairs featuring employers that have benefitted from just such federal funds. In fact, while all House Republicans voted against these investments, more than half of the Republicans in Congress have taken credit for them in their districts.

“President Obama has also signed into law the HIRE Act, which cuts employers’ taxes for every unemployed worker hired. The Treasury Department reported that, between February and May, the HIRE Act gave small businesses \$8.5 billion in tax cuts for millions of new workers. Democrats have also passed legislation helping to support \$28 billion in new lending for small businesses, protecting middle-class Americans from abusive credit card lending practices, and making the biggest investment in student lending in history, without adding to the deficit.

“Health insurance reform will have an important jobs impact, as well. A Harvard/USC study found that health reform will create up to 4 million jobs over the next decade, because it makes coverage more affordable for businesses and the self-employed, while putting American companies on a more even playing field with their foreign competitors. And it will free the next generation of American entrepreneurs to innovate and make business decisions on the grounds of opportunity, not on the grounds of keeping their coverage.

“Finally, President Obama has just signed important legislation to put the referees back on the field and hold Wall Street accountable for the reckless conduct that helped crash our economy. Wall Street reform will create an important new Consumer Financial Protection Bureau and make sure that borrowers and lenders live up to common-sense standards of responsibility and honesty. It ends TARP. And it ensures that the costs of any future financial crisis will be borne by the financial industry—keeping taxpayers off the hook for future bailouts. Wall Street reform will remove an important source of economic uncertainty, helping to free up the \$1.8 trillion in cash sitting on the sidelines in corporate America. That is private sector cash poised to be redeployed into job-creating investments—the kind of investments that led to the chip and the tech boom in the 1990s. The more we strengthen the integrity and transparency of our financial system, the more we rebuild the confidence needed to encourage investment in America, and the more our financial system gets back toward its core purpose: helping allocate capital to families investing in their future and entrepreneurs investing in job creation.

“All of those policies have a common thread: after a lost decade, middle-class Americans now have a Congress and administration that is helping it make up the lost ground and building for future prosperity. All of that work has helped move our economy back toward strength—though, for too many people, that is still not their reality. With millions of Americans still out of work, no one claims that we’ve reached success—and Congress can’t rest.

“So the second question is: what remains to be done? Democrats are fighting for the middle class. Republicans—as much as they want to use the economy as a political weapon—are looking to go back to the very same policies that caused many of the problems the middle class confronts today. In fact, the NRCC Chair, Congressman Pete Sessions, summed up his party’s approach last weekend: ‘We need to go back to the exact same agenda’ of the Bush Administration. By almost all indications, it was an agenda that failed.

“Democrats, on the other hand, are putting forward new ideas to drive our recovery, particularly when it comes to our vital manufacturing sector. That’s why House Democrats are launching the Make it in America agenda: a strategy to boost American manufacturing. For generations, Americans have looked to our manufacturing sector as a source of economic vitality, a source of good-paying jobs, and a source of pride: America has always been proud to be a country that makes things. Some worry that those jobs and that pride are a thing of the past—but Democrats are committed to regaining America’s manufacturing edge. The Make it in America agenda will include bills to encourage investments in industry, improve manufacturing infrastructure and innovation, strengthen the American workforce, and create a level playing field for American manufacturers that compete worldwide.

“The Make it in America agenda is made up of a range of bills that we will bring to the floor in the coming weeks, including:

- The U.S. Manufacturing Enhancement Act, which passed the House on Wednesday, and which makes it easier for American companies to get the materials they need to manufacture goods;
  - The SECTORS Act, which also passed the House this week, and which forms partnerships between businesses, unions, and educators to train workers for some of the most needed 21st-century jobs;
  - The National Manufacturing Strategy Act, which will direct the president to develop a manufacturing strategy for the nation every four years;
  - The End the Trade Deficit Act, which will lead to the development of policies to reduce the trade deficit; and
  - The Clean Energy Technology Manufacturing and Export Assistance Act, which will ensure that clean energy technology firms have the information and assistance they need to compete at home and abroad.
- The Ways and Means Committee is also going to hold hearings that addresses China’s currency policy.

“These bills are just a start: more are to come, and many House Democrats are coming forward with ideas that can contribute to a manufacturing revival. All of these efforts will bolster President Obama’s plan to support 2 million more jobs by doubling U.S. exports in five years—a plan that is already showing success, with exports up significantly over last year. And they will build on the impact we’ve already had: since the beginning of this year, our private sector has actually created 136,000 new manufacturing jobs.

“I hope that Republicans will join us in strengthening our manufacturing sector. I’m glad that many of them supported the Manufacturing Enhancement Act and the SECTORS Act in the House. But the fact remains that Republicans have an 18-month pattern of standing, with near unanimity, against every measure to create jobs for the middle class. A wide range of job-creating ideas are waiting to be enacted, but they continue to face partisan obstruction—even though many of those ideas have won strong bipartisan support before.

“For instance, we would help businesses develop and bring to market new technologies to increase productivity. We would further invest in science, technology, engineering, and math education. We would encourage entrepreneurship and investment by letting businesses deduct start-up expenses and exempting small business capital gains from taxation. We would establish a new fund, without increasing the deficit, to help community banks lend to small

businesses—because 45% of small businesses seeking loans were turned down last year. We would extend the R&D credit.

“We would also end tax breaks that encourage corporations to outsource American jobs overseas. Republicans are fighting to keep that loophole open; Democrats want to close it and keep more jobs here.

“Republican obstruction has even extended to unemployment insurance—at a time when there are still five applicants for each new job. Unemployment insurance is one of the most effective ways of stimulating demand, because it’s quickly spent. Moody’s Economy.com found that it produces \$1.63 in economic stimulus for every dollar spent. Republicans claim that we can’t afford \$34 billion for the unemployed, but then, in the same breath, they demand \$676 billion in debt-financed tax cuts for the wealthy. We can also see their lack of fiscal seriousness in a consistent lack of deficit specifics from their leadership. Take this MSNBC analysis of Congressman Pete Sessions and Senator John Cornyn on ‘Meet the Press’: ‘Both Sessions and Cornyn were unable or unwilling to discuss what Republicans would specifically do on the deficit....When NBC’s David Gregory demanded specifics and details of painful choices Republicans were willing to make, Sessions didn’t offer a single one.’ That’s the same thinking that condoned record foreign borrowing under President Bush and did severe harm to our long-term prosperity.

“Democrats understand that short-term deficits have been necessary for our recovery. For the same reason, the House will extend middle-class tax cuts, though we expect the Senate to act first. All of the job-creation measures I’ve discussed, along with those middle-class tax cuts, represent only a small fraction of our real, long-term deficit problem. We do have hard choices to make about our fiscal future, and I’ve spoken about them in detail. But in making those choices, we have to steer between two grave mistakes. One would be following Republicans who want to use our structural deficit as an excuse to put the brakes on recovery, while millions are still unemployed; that would put even more Americans out of work and actually increase the deficits we are trying to reduce. Another mistake would be putting ourselves even deeper into debt by making tax cuts for the wealthy permanent. Republicans seem to be able to hold both of those positions at the same time: a combination of reckless borrowing and middle-class neglect that characterized the Bush years.

“That brings us to the last question. We’ve pulled our country off the edge of disaster. We know what needs to be done for the Americans who are still struggling. Finally, which party can we trust to do it?

“We know what the Republican economic philosophy looks like in practice: cut taxes for the rich and gut the regulations that guard against everything from Wall Street excess to oil companies’ negligence. And we know the record those policies generated, when Republicans had the unchecked chance to implement them, just a few short years ago. They drove our economy into the ditch. They created a decade of stagnant incomes—and, during the eight years of the Bush Administration, the worst jobs record since Herbert Hoover.

“Over eight years of President Bush, our economy added just 1 million private-sector jobs—versus 21 million under President Clinton. And it was President Bush who ran \$2.13 trillion in deficits and wiped out the biggest surplus in American history.

“That record isn’t an aberration: decade after decade, Democrats have simply performed better on the economy than Republicans. Market analyst Larry Greenberg studied administrations from John F. Kennedy to George W. Bush and found that ‘jobs grew more slowly for each of the Republicans than for any of the Democrats.’

“Princeton political scientist Larry Bartels studied income growth during administrations from Harry Truman to George W. Bush; he found that, to quote a summary of his work, ‘when a Republican president is in power, people at the top of the income distribution experience much larger real income gains than those at the bottom.’ By contrast, ‘Democratic presidents generate higher income gains for all income groups.’

“And, in 2008, the New York Times asked this question: ‘Imagine that [starting in 1929] you had to invest exclusively under either Democratic or Republican administrations. How would you have fared?’ Under Republican administrations, your \$10,000 invested in the S&P stock market index would have turned into \$11,733; if we’re charitable and exclude Herbert Hoover, the number becomes \$51,211. Under Democratic administrations, your \$10,000 would have become \$300,671.

“So when we talk about Republican economic failure, we aren’t talking about a passing trend. From decade to decade, and today, Democratic policies have supported innovation, the interests of the middle class, and a better standard of living for all Americans. Republican policies have objectively favored the privileged and left working Americans behind.

“We might be able to write off that record if Republicans gave any indication that they’ve reconsidered the policies that created it. But, again, as they put it themselves: ‘We need to go back to the exact same agenda.’

“And when you remember that, Republican behavior over the past months makes perfect sense. Apologizing to BP when Democrats held it accountable for its disaster in the Gulf. Comparing the economic crisis to the size of an ‘ant,’ as Leader Boehner did. Working with bankers and lobbyists to water down Wall Street reform, and then cynically portraying its tough new rules as a ‘bailout.’ Putting debt-financed tax cuts for millionaires ahead of help for the unemployed.

“I am proud to put our party’s middle class record against theirs, any day. Our work is not done. But we’ve stood up to Wall Street, brought access to affordable health care to all Americans, reinstated pay-as-you-go and fiscal discipline, and gone to bat for job creation, in the face of ideological opposition, again and again for 18 months running. Democrats can tell working Americans, with confidence: we have stood for your interests. And we have met crisis with the optimism that defines our country at its best and can make a great nation even greater.

“So often, our biggest leaps have come out of our darkest moments. As President Obama said, ‘In the midst of civil war, we laid railroad tracks from one coast to another ....And a twilight struggle for freedom led to a nation of highways, an American on the moon, and an explosion of technology that still shapes our world.’ And today, if we choose shared growth over spoils for a few, and our common interests over the special interests—then this, too, can be one of those remarkable moments in which we build our way out. We will Make it in America once again.”

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